

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

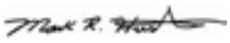
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 	Printed Name		License Number	

District Court Funds of District No. 39, City of Roseville, Michigan

**Financial Report
with Supplemental Information
June 30, 2007**

District Court Funds of District No. 39

City of Roseville, Michigan

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Plante & Moran, PLLC
Suite 300
19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
Fax: 586.416.4901
plantemoran.com

Independent Auditor's Report

To Chief Judge Marc Santia
District Court No. 39
Roseville, Michigan

We have audited the accompanying balance sheet and supplemental information of the District Court Funds of District No. 39 (a component unit of the City of Roseville, Michigan) as of and for the year ended June 30, 2007. This financial statement and supplemental information are the responsibility of the management of the District Court Funds of District No. 39, City of Roseville, Michigan. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statement referred to above presents fairly, in all material respects, the financial position of the District Court Funds of District No. 39, City of Roseville, Michigan as of June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

December 13, 2007

District Court Funds of District No. 39

City of Roseville, Michigan

Management's Discussion and Analysis

Our discussion and analysis of District Court Funds of District No. 39, City of Roseville's (the "District Court") financial performance provides an overview of the District Court's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the District Court's financial statement.

Using this Financial Report

This financial report represents the activities of the funds of the District Court during the year. The funds of the District Court are agency funds. Therefore, the activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. A detailed schedule of cash receipts and disbursements is shown in the supplemental information portion of the financial report.

The District Court as a Whole

The following table shows, in a condensed format, the assets and liabilities as of June 30, 2007 and compared to the prior year:

The District Court's combined assets and liabilities increased 51 percent from a year ago, increasing from \$135,022 to \$203,914. This increase is primarily related to a landlord - tenant dispute where rent payments have been collected by the District Court and held in escrow until the matter is resolved.

	2007	2006
Assets - Cash and cash equivalents	\$ 203,914	\$ 135,022
Liabilities		
Returnable bonds	\$ 118,028	\$ 128,459
Due to General Fund	512	3,153
Escrow deposits	85,374	3,410
Total liabilities	\$ 203,914	\$ 135,022

Contacting the District Court's Management

This financial report is intended to provide our citizens and customers with a general overview of the District Court's activities and to show the District Court's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the District Court directly at (586) 773-2010.

District Court Funds of District No. 39

City of Roseville, Michigan

Balance Sheet June 30, 2007

	District Control Unit Collections	Bond Account	Garnishment Account	Jury and Witness Fee Account
Assets - Cash and cash equivalents (Note 2)	\$ -	\$ 118,540	\$ 85,374	\$ -
Liabilities				
Returnable bonds	\$ -	\$ 118,028	\$ -	\$ -
Due to General Fund	-	512	-	-
Escrow deposits	-	-	85,374	-
Total liabilities	\$ -	\$ 118,540	\$ 85,374	\$ -

District Court Funds of District No. 39

City of Roseville, Michigan

Notes to Balance Sheet
June 30, 2007

Note 1 - Significant Accounting Policies

The accounting policies of the District Court Funds of District No. 39, City of Roseville, Michigan (the "District Court") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The District Court is governed by three elected judges. There are no component units.

The following is a summary of the significant accounting policies used by the District Court Funds of District No. 39:

The funds of the District Court are Agency Funds. The financial activities of the funds are limited to fine and fee collections that are transferred to the District Control Unit (the City of Roseville) when processed. The accumulation of those collections and the ultimate payment to the applicable agencies are the responsibility of the District Control Unit. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

The operations of the District Court are included as a separate activity in the General Fund of the City of Roseville.

The District Court is a component unit of the City of Roseville and is included in the basic financial statements of the City of Roseville at June 30, 2007.

Note 2 - Cash and Cash Equivalents

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

District Court Funds of District No. 39

City of Roseville, Michigan

Notes to Balance Sheet
June 30, 2007

Note 2 - Cash and Cash Equivalents (Continued)

The District Court has designated one bank for the deposit of its funds. The investment policy adopted by the District Court in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The District Court's deposits and investment policies are in accordance with statutory authority.

The District Court's cash and investments are subject to custodial credit risk, which is examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had deposits totaling \$203,914. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) totaling \$161,285, all of which was covered by federal depository insurance. The District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Supplemental Information

District Court Funds of District No. 39

City of Roseville, Michigan

Schedule of Cash Receipts and Disbursements Year Ended June 30, 2007

	District Control Unit Collections	Bond Account	Garnishment Account	Jury and Witness Fee Account
Cash and Cash Equivalents -				
Beginning of year	\$ -	\$ 131,612	\$ 3,410	\$ -
Receipts				
Fines and fees	3,091,505	-	-	-
Bonds posted	-	871,260	-	-
Garnishments	-	-	98,413	-
Interest income	-	3,921	2,369	-
Total receipts	3,091,505	875,181	100,782	-
Disbursements				
Transfers to District Control Unit	2,053,871	-	-	-
Transfers to District Control Unit for payment to:				
State of Michigan	591,242	-	-	-
Macomb County	43,446	-	-	-
Attorney fees	198,990	-	-	-
Refunds and miscellaneous	203,956	-	-	-
Bond refunds, forfeitures, and transfers	-	888,253	-	-
Garnishments	-	-	18,818	-
Total disbursements	3,091,505	888,253	18,818	-
Cash and Cash Equivalents -				
End of year	<u>\$ -</u>	<u>\$ 118,540</u>	<u>\$ 85,374</u>	<u>\$ -</u>